

NEWS RELEASE

FOR IMMEDIATE RELEASE
NOVEMBER 21, 2002

CONTACT: GLENN BRIERE
(617) 727-6200, EXT. 123

DeNUCCI SAYS INEFFICIENCIES HAMPER CHILD CARE SERVICE DELIVERY

State Auditor Joe DeNucci reported today that the state's Office of Child Care Services (OCCS) and private providers need to improve their information gathering on the demand for child care services to ensure that state funds are directed to families who need these services.

According to DeNucci's audit, OCCS is not collecting accurate and up-to-date information from providers on waiting lists for child care. The accuracy of waitlists is critical because OCCS and the Legislature use this information to determine how much demand exists, where to target resources, and the amount of funding that is necessary.

"Without fully accurate information on these waitlists, there is no guarantee that the more than \$300 million in funding for these services is going where it is most needed," said DeNucci. "Given the substantial unmet demand for child care and its importance to low-income working families and single parents, OCCS needs to strengthen its procedures in this area."

DeNucci's review of child care service providers found numerous instances of inaccurate, outdated and missing family information on waitlists. Waitlist information sampled at child care resource and referral agencies identified errors in 80 percent of the items tested, while 23 percent of providers did not submit quarterly reports to OCCS with the names of families waiting for assistance. The audit attributed these problems to the fact that during the audit period, OCCS had not established adequate controls as to how service providers within the state's child care system should maintain waitlist information, nor was the agency effectively monitoring providers to verify that accurate waitlist information was being submitted.

DeNucci noted that as a result of the audit, OCCS has begun implementing policies to improve the accuracy of its data. While commending the agency for taking these initiatives,

DeNucci urged the office to continue its efforts to eliminate these waitlist errors by monitoring its implementation of a uniform waitlist policy at service providers in the child care system.

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In another finding, DeNucci's audit determined that the delivery of child care services is also being hampered by insufficient collaboration between various entities within the state system. DeNucci's audit found that collaboration among child care programs is either lacking or ineffectual at the local level, which leads to contracts being underutilized and delays in the ability of families to obtain needed child care services.

Finally, DeNucci called on OCCS to take aggressive action to prevent child care slots from being wasted while many families are in need of these services. During fiscal years 2000 and 2001, the Commonwealth's child care providers underutilized their contracts with OCCS by approximately \$28 million. Of this amount, \$12.5 million was reverted to the state's General Fund, while \$15.5 million that was intended for direct family subsidies, was used on indirect program expenses. This underutilization of funds occurred during a period when OCCS's own data indicated an average unmet annual demand for child care services of approximately 18,000 children.

In response, OCCS said it agreed with DeNucci's findings and, as a result, dramatically reduced its reversions at the end of fiscal year 2002. The office said it has also taken steps to redistribute vacant child care slots to other providers.

"I am pleased that the Office of Child Care Services concurs with my recommendations and has begun to correct these inefficiencies," concluded DeNucci. "I urge the office to redouble its efforts to make sure that the money goes where it is most needed."